



General Assembly

January Session, 2013

Amendment

LCO No. 8497

SB0085408497SD0

Offered by:

SEN. SLOSSBERG, 14th Dist.

REP. ABERCROMBIE, 83rd Dist.

To: Subst. Senate Bill No. **854**

File No. 783

Cal. No. 550

"AN ACT CONCERNING SOCIAL INNOVATION INVESTMENT."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 4-68aa of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective July 1, 2014*):

5 (a) As used in this section:

6 (1) "Savings" means a reduction in state expenditures, as such
7 expenditures are defined in an outcome-based performance contract;

8 ~~[(1)]~~ (2) "Secretary" means the Secretary of the Office of Policy and
9 Management, or the secretary's designee;

10 ~~[(2)]~~ (3) "Social innovation investment enterprise" means an entity
11 created to coordinate the delivery of preventive social programs by
12 nonprofit service providers, which has the capability of creating a
13 social investment vehicle, entering into outcome-based performance

14 contracts and contracting with service providers;

15 [(3)] (4) "Social investment vehicle" means an investment product
16 established by a social innovation investment enterprise to raise
17 private investment capital; and

18 [(4)] (5) "Outcome-based performance contract" means a contract
19 entered into between the secretary and a social innovation investment
20 enterprise that establishes outcome-based performance standards for
21 preventive social programs delivered by nonprofit service providers
22 and provides that investors in any social investment vehicle shall
23 receive a return of their investment and earnings thereon only if
24 outcome-based performance standards are met by the social
25 innovation investment enterprise.

26 (b) The secretary may enter into an outcome-based performance
27 contract with a social innovation investment enterprise for the purpose
28 of [accepting a United States Department of Justice fiscal year 2012
29 Second Chance Act Adult Offender Reentry Program Demonstration
30 Category 2 Implementation grant. The outcome-based performance
31 contract between the secretary and a social innovation investment
32 enterprise may provide for payments from the social innovation
33 account, established pursuant to subsection (d) of this section, to the
34 social innovation investment enterprise or to investors or to both] (1)
35 an adult offender reentry program; (2) initiatives designed to prevent
36 and end homelessness; (3) a preventative health care program that
37 reduces costs and improves health outcomes; and (4) a child well-
38 being early intervention and prevention program. The outcome-based
39 performance contract shall be based on a written proposal deemed
40 sufficient by the secretary that demonstrates savings will be generated
41 by the social innovation investment enterprise through the accelerated
42 delivery of preventive social programs within the state.

43 (c) Any outcome-based performance contract entered into by the
44 secretary, pursuant to the provisions of this section, shall include, but
45 not be limited to, requirements that: (1) Payment be conditioned on the

46 achievement of specific, quantifiable outcomes based on defined
47 performance benchmarks; (2) an independent evaluator shall
48 determine whether the performance benchmarks have been achieved;
49 and (3) a fiscal analysis be completed by the secretary as to projected
50 savings in specific governmental service areas related to achievement
51 of specific, quantifiable performance benchmarks.

52 (d) After entering into an outcome-based performance contract with
53 a social innovation investment enterprise, the secretary shall present
54 the terms and conditions of the contract, along with an executed
55 summary of the agreement, to the joint standing committees of the
56 General Assembly having cognizance of matters relating to human
57 services and appropriations and the budgets of state agencies so that
58 said committees are fully apprised of (1) the social innovation
59 investment for which the contract is being entered into, (2) the
60 performance measures being used, and (3) the future financial
61 implications particularly as they pertain to out-year appropriations
62 necessary to fund the social innovation account established under this
63 act. Thereafter, for each outcome-based performance contract entered
64 into pursuant to this section, the secretary shall report annually during
65 the contract period and within six months after the conclusion of the
66 contract term on the status of such contracts to the joint standing
67 committees of the General Assembly having cognizance of matters
68 relating to appropriations and the budgets of state agencies and
69 human services. Such reports shall include information on (A) the
70 achievement by the nonprofit service provider of specific, quantifiable
71 outcomes based on defined performance benchmarks as determined
72 by an independent evaluator; (B) returns on investment for the social
73 innovation investment enterprise; and (C) fiscal analyses of savings
74 achieved in specific governmental service areas related to the
75 achievement of specific, quantifiable performance benchmarks.

76 [(c)] (e) The secretary shall comply with the provisions of section 4e-
77 16 relating to privatization contracts when entering into an outcome-
78 based performance contract with a social innovation investment
79 enterprise pursuant to this section.

80 [(d)] (f) There is established an account to be known as the "social
81 innovation account" which shall be a separate, nonlapsing account
82 within the General Fund. The account shall contain any moneys
83 required by law to be deposited in the account. Any interest accruing
84 to the account shall be credited to the account. Moneys may be
85 transferred to the account from the General Fund. [Moneys in the
86 account shall be expended by the Secretary of the Office of Policy and
87 Management for the purposes of facilitating the reentry of moderate
88 and high-risk offenders into the community.] Moneys in said account
89 may be used to provide payments to the social innovation enterprise,
90 investors or both in accordance with the terms of an outcome-based
91 performance contract. The secretary may apply for and accept gifts,
92 grants or donations from public or private sources to enable the
93 account to be a source of payments to investors purchasing interests in
94 a social investment vehicle."

This act shall take effect as follows and shall amend the following sections:

Section 1	July 1, 2014	4-68aa
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